

## Monitoring Report

**Finding #10:** Under the FY04-045 grant, the subgrantee procured a contract with Lucien G. Canton, Limited Liability Company, with a Project Initiation fee of \$8,283, totaling \$24,850 for the project. However, the subgrantee did not request prior approval, as required, from OHS showing that the procurement was feasible under other methods or that it met the criteria identified above. Improper use of the sole source procurement method may unfairly restrict full and open competition.

**Action Required:** The subgrantee must ensure that, in the future, a system is in place to track proper approval for the above types of expenditures and records are maintained which are sufficient to detail the history of a procurement process, including, but not limited to, the rationale for the method of procurement.

The subgrantee will also need to go through the proper channels for all future Sole Source requests: Expenditures to Establish and/or Enhance an EOC and the purchase of any Aviation/Watercraft equipment must receive prior written approval from OHS, as required. If the subgrantee did not submit a request and fails to receive prior approval, the expenditures may be determined unauthorized, and therefore, become questionable costs, subject to being reimbursed.

**Fiscal: Equipment & Property Management:** Subgrantee in compliance. (3 items) / Subgrantee not in compliance. (2 items).

1. **Equipment Purchases:** Subgrantee in compliance. (2 items). / Subgrantee not in compliance. (1 item).

- a. Allowable and Applicable Equipment: Subgrantee not in compliance. (1 item).

**Requirement:** Title 28 of the Code of Federal Regulations §66.20(b)(5) and the DOJ Financial Guide Part III, CH 16, pg 116, states that agency program regulations and the terms of grant and sub-grant agreements must be followed to ensure that all costs are reasonable, allowable, and allocated appropriately.

**Finding #11:** In the review of FY04-045, the monitor notes that \$2,320 in unallowable ammunition costs were charged to an exercise activity. The monitor informed the subgrantee that ammunition are unallowable costs under any federal grant program.

**Action Required:** The subgrantee has submitted a modification to OHS to back out ammunition costs charged to the grant, charging only allowable grant cost. The subgrantee must now provide a corrective action plan that ensures only allowable costs will be charged to future OHS grants. The corrective action plan must include the development and implementation of a record-keeping system that meets all federal requirements and will account for all fund expenditures in each grant period.

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b. Prior Approval and Acquisition: Subgrantee in compliance. (1 item).

c. Proficiency Training: Subgrantee in compliance. (1 item).

2. **Property and Records keeping**: Subgrantee in compliance (1 item) / Subgrantee not in compliance. (1 item).

a. Inventory Control: Subgrantee not in compliance. (1 item).

**Requirement:** Financial Guide Part III, Ch. 6 includes the elements for property records required to be provided and maintained by the subgrantee to ensure the proper management of equipment purchased with OHS grant funds.

**Finding #12:** While conducting the equipment inventory inspection, the monitor notes that a medical supply trailer purchased with OHS grant funds did not have a properly registered license plate/tag. All equipment acquired under OHS awards must conform to State laws and procedures. Also, the same trailer did not maintain an updated inventory of the supplies on-board.

**Action Required:** The Subgrantee must register the trailer and submit a proof (copy) of registration to OHS. Additionally, the subgrantee must provide in their corrective action plan that, in the future, all OHS grant funded equipment will be inspected at least every two years to maintain compliance through appropriate management of equipment.

b. Property Management: Subgrantee in compliance. (1 item).

G. **Subgrantee Monitoring & Oversight**: Subgrantee not in compliance. (3 items) / Not applicable for Subgrantee (2 items).

a. Audits of Subrecipients Responsibility: Subgrantee not in compliance. (1 item).

**Requirements:** DOJ Financial Guide Part III, Ch. 9, pg. 87 and Ch. 19, pg. 128-129 states that there is a responsibility for monitoring and providing oversight to any and all that benefit from grant funds by ascertaining that all subawarded fiscal and programmatic responsibilities are fulfilled accordingly. All arrangements are formalized in a contract or other written agreement between parties involved.



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**Finding #13:** The subgrantee lacks sufficient monitoring and oversight of its sub-recipient's fiscal and programmatic activities charged to the OHS grants. The subgrantee did not have a formalized contract or other written agreement between themselves and their sub-recipients. The Subgrantee failed to monitor the following categories: Single Audit Reports, Equipment & Property Management, and Procurement to ensure that they were in compliance with the rules and regulations.

**Action Required:** The subgrantee must provide a corrective action plan ensuring that, in the future, they will maintain a written administrative standard with any and all sub-recipients as it relates to monitoring and oversight in all applicable areas.

- b. Management & Administration (M&A) Responsibility: Not applicable for subgrantee. (1 item).
- c. Overtime/Backfill/CTO Responsibility: Not applicable for Subgrantee (1 item).
- d. Procurement Responsibility: Subgrantee not in compliance. (1 item).

**Requirements:** DOJ Financial Guide Part III, Ch. 9, pg. 87 and Ch. 19, pg.128-129 states that there is a responsibility for monitoring and providing oversight to any and all that benefit from grant funds by ascertaining that all sub-awarded fiscal and programmatic responsibilities are fulfilled accordingly. All arrangements are formalized in a contract or other written agreement between parties involved.

**Finding #14:** Upon review of FY04-045, the monitor noted that the subgrantee had granted reimbursement of \$40,045 to a sub-recipient for medical cache supply trailers that were not purchased.

**Action Required:** The subgrantee has submitted a modification to OHS to back out costs charged to the grant for the undelivered medical cache supply trailers, charging only allowable grant cost. The subgrantee must now provide a corrective action plan ensuring that in the future they will maintain a written administrative standard with any and all sub-recipients as it relates to procurement and all applicable financial areas.

- e. Equipment & Property Management Responsibility: Subgrantee not in compliance. (1 item).

**Requirements:** DOJ Financial Guide Part III, Ch. 9, pg. 87 and Ch. 19, pg.128-129 states that there is a responsibility for monitoring and providing oversight to any and all that benefit from grant funds by ascertaining that all sub-awarded fiscal and programmatic responsibilities are fulfilled accordingly. All arrangements are formalized in a contract or other written agreement between parties involved.

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**Finding #15:** In review of the equipment purchased with FY04-045 SHSP funds, the monitor noted that the sub-recipient, Marin Municipal Water District, received an allocation of \$105,072 to purchase an IP security camera system with a wireless LAN system and Net Versant. The camera system was tested, but never installed at the specified location(s), and as of the equipment review date, still boxed in the original packaging.

As a result, the FY04-045, Project G, SHSP equipment (\$105,072) is a questionable cost, due to non-use of equipment, questioning the need for grant funds.

**Action Required:** The subgrantee needs to provide a ledger that reconciles all of the FY04-045 equipment purchases. The costs noted will need to be backed out of the funds and be used to charge only allowable grant-related costs. Additionally, the subgrantee must submit a corrective action plan that validates their accountability for all sub-recipient purchases made with OHS grant funds and that there is a policy implemented to include, but is not limited to, the control and management of property and the necessary action to be taken when a project is cancelled, as well as, the directions and instructions to follow on other equipment issues when items become unserviceable, stolen, lost, exceeds its natural shelf life, or becomes obsolete.